

SENATE BILL 1006

C4

2lr3263

By: **Senator Middleton**

Introduced and read first time: February 17, 2012

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Automobile Insurance Fund – Fund Producers – Commissions**

3 FOR the purpose of altering the commission the Maryland Automobile Insurance
4 Fund is required to pay to a fund producer of a policyholder to whom a private
5 passenger auto insurance policy is issued by the Fund; and generally relating to
6 commissions paid to fund producers by the Maryland Automobile Insurance
7 Fund.

8 BY repealing and reenacting, with amendments,
9 Article – Insurance
10 Section 20–512
11 Annotated Code of Maryland
12 (2011 Replacement Volume)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article – Insurance**

16 20–512.

17 (a) Except as provided in subsection (b) of this section, the Fund shall pay to
18 a fund producer of a policyholder to whom a policy is issued a commission:

19 (1) for private passenger auto insurance issued by the Fund, at a rate
20 [of 10%] **DETERMINED BY THE FUND BUT NOT LESS THAN 10% AND NOT TO**
21 **EXCEED 15%** of the total premium; and

22 (2) for any other insurance issued by the Fund, at a rate determined
23 by the Fund but not to exceed 10% of the total premium.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) The Fund may not pay a commission:

2 (1) on a fully earned basis;

3 (2) if a prospective insured fails to qualify under § 20–502 of this
4 subtitle; or

5 (3) if a prospective insured's initial payment to the Fund, a fund
6 producer, or premium finance company is not honored.

7 (c) If a policy issued by the Fund is canceled, the Fund shall refund any
8 unearned commissions.

9 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
10 October 1, 2012.